

**BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA**

IN RE: APPLICATION BY SOUTH CAROLINA)	
ELECTRIC & GAS COMPANY FOR AUTHORITY)	
TO ISSUE \$35,465,000 OF ITS FIRST AND)	APPLICATION
REFUNDING MORTGAGE BONDS TO)	
BE SECURED BY ITS EXISTING MORTGAGE.)	DOCKET NO. _____
_____)	

1. INTRODUCTION

South Carolina Electric & Gas Company (the "Applicant"), a corporation organized under the laws of South Carolina, hereby makes application pursuant to §58-27-1710, S.C. Code of Laws (1976) as amended, to the Public Service Commission of South Carolina (the "Commission") for power and authority to issue \$35,465,000 principal amount of its First and Refunding Mortgage Bonds, 0% Series due December 31, 2098 ("2098 Series Bonds"), for deposit with JPMorgan Chase Bank, N.A. (successor to Central Hanover Bank & Trust Company) as trustee (the "Old Trustee") under Applicant's Indenture dated as of January 1, 1945, as amended and supplemented (the "Old Indenture"), in partial satisfaction of the "sinking fund requirement" (calculated on the basis of bonds outstanding on December 31, 2004) of the Old Indenture.

2. CORRESPONDENCE

Correspondence with respect to this Application should be addressed to the following persons:

<p>* James E. Swan, IV Controller South Carolina Electric & Gas Company Post Office Box 764 Columbia, South Carolina 29218 (803) 217-6017</p> <p>Francis P. Mood, Jr. General Counsel SCANA Corporation Post Office Box 764 Columbia, South Carolina 29218 (803) 217-8634</p>	<p>* Catherine D. Taylor Attorney SCANA Corporation Post Office Box 764 Columbia, South Carolina 29218 (803) 217-9356</p>
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* Persons for service.

3. BUSINESS

Applicant is an electric utility operating in the State of South Carolina, serving the central, southern and southwestern portions of the State with electric service, and it also furnishes natural gas service to the Cities of Columbia and Charleston, South Carolina, their respective environs and to many other communities, industrial customers and wholesale customers located throughout its service area in South Carolina.

4. AMOUNT AND CHARACTER OF SECURITIES

A.

The Old Indenture provides, inter alia, that Applicant may issue and have outstanding and secured thereby at any one time, under certain stipulated conditions, a maximum of \$5,000,000,000 in bonds. There are presently outstanding under the Old Indenture \$2,945,806,000 principal amount of bonds. Of the \$2,945,806,000 bonds issued, \$2,815,035,000 principal amount of bonds have been issued under the Old Indenture to The Bank of New York, as trustee (the "New Trustee") under Applicant's Indenture dated as of April 1, 1993, as supplemented (the "New Indenture"), to provide security for bonds issued from time to time under the New Indenture.

B.

Applicant now proposes to issue 2098 Series Bonds as hereinafter delineated and set forth on the basis of a like principal amount of bonds authenticated and delivered under the Old Indenture which have been paid, retired, redeemed, canceled or surrendered for cancellation as permitted by Section 5.01 of the Old Indenture. The 2098 Series Bonds will be issued under the Fifty-third Supplemental Indenture to the Old Indenture and will (i) amount to \$35,465,000 in principal amount, (ii) be dated as of the date of authentication and mature December 31, 2098, (iii) be issued and authenticated on or before June 1, 2005, (iv) bear no interest and (v) be redeemable as set forth in said Fifty-third Supplemental Indenture.

5. PURPOSE OF ISSUE

Section 2.12 of the Old Indenture provides that as long as any bonds secured thereby are outstanding, Applicant will, on or before June 1 in each year commencing with the year 1956, deposit with the Old Trustee the “sinking fund requirement” called for therein. The “sinking fund requirement,” as calculated thereunder, required to be deposited on or before June 1, 2005, is \$35,465,674. Said Section 2.12 provides that such “sinking fund requirement” may be satisfied by the deposit of cash or bonds authenticated under said Old Indenture.

The purpose for which said \$35,465,000 principal amount of 2098 Series Bonds are to be issued is to deposit them with the Old Trustee in order to allow the Applicant to use the bonds to partially satisfy said “sinking fund requirement” and minimize the expenditure of cash, thereby conserving the Applicant’s cash for use in connection with its construction program and for general corporate purposes; and that upon the issuance and authentication of said \$35,465,000 additional principal amount of 2098 Series Bonds and their deposit with the Old Trustee, as aforesaid, said \$35,465,000 additional principal amount 2098 Series Bonds will immediately be canceled as provided in the Old Indenture.

6. TERMS OF ISSUANCE, SALE AND CONSIDERATION

A.

The said \$35,465,000 principal amount of 2098 Series Bonds are to be deposited with the Old Trustee to meet the “sinking fund requirement” and are not to be sold and, accordingly, no consideration will be received therefor other than the conservation of the Applicant’s cash as stated above.

B.

If approval of this Application is delayed beyond June 1, 2005, Applicant would be required to deposit the total “sinking fund requirement” in cash with the Old Trustee.

7. FINANCIAL STATEMENT OF APPLICANT

A.

The financial condition of the Applicant as of December 31, 2004 is shown by financial statements hereto annexed and made a part hereof as "Exhibit A."

B.

The issuance of the 2098 Series Bonds will have no effect on Applicant's financial condition or on its financial statements.

8. COMPLIANCE WITH ORDER NO. 91-032-E

In compliance with the provisions of Order No. 91-032-E, dated January 18, 1991, Docket No. 91-72, Applicant submits "Exhibit B" containing information required by the said Order.

WHEREFORE, the Applicant requests that the Commission make such investigation as it may deem necessary in accordance with the law and grant to Applicant an approving certificate for the issuance of \$35,465,000 principal amount, First and Refunding Mortgage Bonds, 0% Series due December 31, 2098, as is herein before set forth and delineated.

SOUTH CAROLINA ELECTRIC & GAS COMPANY

By: _____
James E. Swan, IV
Controller

ATTEST:

Lynn M. Williams
Secretary

March 18, 2005

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

PERSONALLY APPEARED before me James E. Swan, IV and Lynn M. Williams, who on oath say, each for himself or herself, that they are, respectively, Controller and Secretary of South Carolina Electric & Gas Company, Applicant herein, and make this verification on its behalf; that they have read the foregoing and attached Application and that the statements of fact therein are true of their own knowledge; and that as to the opinions expressed herein, they believe them to be true.

James E. Swan, IV
Controller

Lynn M. Williams
Secretary

SWORN TO before me this
18th day of March, 2005

Patricia K. Haltiwanger
Notary Public for South Carolina
My Commission expires May 15th, 2006.